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8 Proposed General Counsel for  
9 Debtor-in-Possession Lignus, Inc.

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11  
12 **UNITED STATES BANKRUPTCY COURT**  
13 **SOUTHERN DISTRICT OF CALIFORNIA**

14 In re

15 LIGNUS, INC.,

16 Debtor.

CASE NO. 17-05475-CL11

CHAPTER 11

**STATUS CONFERENCE REPORT OF  
DEBTOR IN POSSESSION LIGNUS, INC.**

DATE: October 4, 2017  
TIME: 11:00 a.m.  
DEPT: 5

HON. CHRISTOPHER B. LATHAM

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20 Debtor-in-Possession Lignus, Inc. (the "Debtor") hereby submits the instant Status  
21 Conference Report:

22 On September 8, 2017, the Debtor filed in this Court a voluntary Chapter 11 bankruptcy  
23 petition under Title 11 of the United States Code. The following tasks have been completed to  
24 date:

25 1. The Debtor has closed its pre-petition bank accounts and opened a new Debtor-  
26 in-Possession bank account at California Bank & Trust ("CBT"). CBT is not on the United States  
27 Trustee's list of approved depository institutions; however, the Debtor was unable to establish a

1 DIP account at other institutions in the Chula Vista area. Specifically, the Debtor was not able to  
2 open an account at Bank of America for the reason that it no longer services such accounts, nor  
3 at Union Bank, Chase Bank, or U.S. Bank for the reason that those institutions will not open DIP  
4 accounts for customers who not have an existing account. The United States Trustee has been  
5 apprised of the situation.

6 2. Proof of current insurance coverage (general liability and worker's compensation)  
7 has been provided to the Office of the United States Trustee ("UST"), and the UST has been  
8 added to the policies for additional notification.

9 3. An application to employ the Law Offices of Kit J. Gardner as the Debtor's  
10 counsel was filed on September 21, 2017.

11 4. An emergency first day motion to compensate insiders of the Debtor was filed on  
12 September 9, 2017, and an Order was entered on September 11, 2017, approving the motion.

13 5. An emergency first day motion to use cash collateral was filed on September 9,  
14 2017, and an Order was entered on September 11, 2017, approving the motion.

15 6. An Order was entered on September 26, 2017, establishing a bar date of  
16 November 28, 2017.

17 7. The first operating report of the Debtor is not due until October 20, 2017, for the  
18 partial month of September, 2017.

19 8. The Debtor's Schedules and Statement of Financial Affairs were filed on  
20 September 22, 2017.

21 LAW OFFICES OF KIT J. GARDNER

22  
23 Dated: 9/27/2017

By: /s/ Kit J. Gardner  
Kit J. Gardner  
Proposed General Bankruptcy Counsel to Debtor-  
in-Possession Lignus, Inc.